



**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR**  
KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 437  
LOS ANGELES, CA 90012



**MARK J. SALADINO**  
TREASURER AND TAX COLLECTOR

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

August 17, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

47 August 17, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

### ISSUANCE AND SALE OF LAWNDALE ELEMENTARY SCHOOL DISTRICT 1998 ELECTION GENERAL OBLIGATION BONDS, SERIES C AND D

#### SUBJECT

The governing board of the Lawndale Elementary School District (the "District") has requested that the County issue general obligation bonds on its behalf in an aggregate principal amount not to exceed \$3,000,000. The bonds were authorized by a vote of the qualified electors of the District and will be issued to finance capital improvements to various school facilities. Repayment of the bonds will be funded from the proceeds of ad valorem taxes levied on all taxable property within the District.

#### **IT IS RECOMMENDED THAT YOUR BOARD:**

Adopt the resolution authorizing the issuance and sale of the Lawndale Elementary School District (Los Angeles County, California) 1998 Election General Obligation Bonds, Series C and D, in an aggregate principal amount not to exceed \$3,000,000.

#### PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 3, 1998, voters residing in the District approved a ballot measure authorizing the District to issue up to \$26,000,000 in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on July 27, 2010 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed \$3,000,000 to be used for authorized purposes. This will be the third and final issuance of bonds authorized under this ballot proposition.

Pursuant to Section 15100 et seq. of the California Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. The bonds are to be issued in the name and on behalf of the District by the County following receipt of the District's resolution requesting such borrowing.

### **Implementation of Strategic Plan Goals**

This action supports the County's Strategic Plan Goal #1: Operational Effectiveness through collaborative actions among County departments and other governmental jurisdictions to provide investment in public school infrastructure within the County.

### **FISCAL IMPACT/FINANCING**

There will be no fiscal impact to the County budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The resolution provides for the issuance of bonds at an interest rate not to exceed the maximum rate permitted by law. The final structure of the bonds will be determined at the time of pricing to achieve the lowest cost of financing within the tax levy limits of the proposition. The term of the bonds will not exceed twenty-five (25) years.

The District is recommending a negotiated sale of the bonds to the underwriter, with participation by the Treasurer and Tax Collector in pricing the bonds. The District has selected Stone and Youngberg LLC as underwriter, and the firm of Kutak Rock LLP as bond counsel. The Treasurer and Tax Collector will appoint U.S. Bank National Association as paying agent.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.

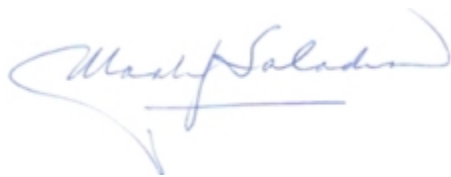
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Not applicable.

### **CONCLUSION**

Upon approval, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted resolution to the Treasurer and Tax Collector (Office of Public Finance).

Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino". The signature is fluid and cursive, with a horizontal line drawn underneath the name.

MARK J. SALADINO  
Treasurer and Tax Collector

MJS:GB:DB:JP:SM

Enclosures

c: Chief Executive Officer  
Auditor-Controller  
County Counsel  
Lawndale Elementary School District  
Los Angeles County Office of Education  
Kutak Rock LLP

A RESOLUTION OF THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF LAWNDALE ELEMENTARY SCHOOL DISTRICT (COUNTY OF LOS ANGELES, CALIFORNIA) GENERAL OBLIGATION BONDS, 1998 ELECTION, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000

WHEREAS, a duly called election (the "Election") was held in the Lawndale Elementary School District (the "District"), Los Angeles County (the "County"), California, on November 3, 1998 and thereafter canvassed pursuant to law; and

WHEREAS, at the Election there was submitted to and approved by the requisite two thirds vote of the qualified electors of the District a measure as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$26,000,000 payable from the levy of an ad valorem tax against the taxable property in the District; and

WHEREAS, the District has previously issued an aggregate principal amount of \$10,000,000 of Lawndale Elementary School District (County of Los Angeles, California) General Obligations Bonds, 1998 Election, Series A (the "Series A Bonds"); and

WHEREAS, the District has previously issued an aggregate principal amount of \$13,000,000 of Lawndale Elementary School District (County of Los Angeles, California) General Obligations Bonds, 1998 Election, Series B (the "Series B Bonds" and together with the Series A Bonds, the "Prior Bonds"); and

WHEREAS, at this time the Board of Supervisors of the County of Los Angeles (the "County Board") has received the resolution (the "District Resolution") of the Board of Education of the District (the "District Board") which requests the County Board to issue bonds in the name of the District in an aggregate principal amount not to exceed \$3,000,000 (the "Bonds"); and

WHEREAS, the Bonds may be issued in one or more series and in part as taxable Build America Bonds pursuant to the American Recovery Reinvestment Act of 2009; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, AS FOLLOWS:**

**Section 1. Purpose of Bonds.** That for the purpose of raising money for the purpose authorized by the voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the County authorizes the issuance of the Bonds in the name of the District under and subject to the terms of the California Education Code and this resolution.

**Section 2. Terms and Conditions of Sale.** The Treasurer, as defined below, is hereby authorized to negotiate the sale of the Bonds in consultation with the Superintendent and Associate Superintendent-Business of the District (each of them an "Authorized Officer"). The Bonds shall be sold pursuant to the terms and conditions set forth in the Bond Purchase Agreement, as described below.

**Section 3. Appointment of Paying Agent.** This Board does hereby appoint the Treasurer and Tax Collector to act as the paying agent, registrar and transfer agent (collectively, the "Paying Agent") for the Bonds.

**Section 4. Approval of Bond Purchase Agreement.** The proposed form of Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the County, the District and Stone & Youngberg LLC (the "Underwriter"), for the purchase and sale of the Bonds, substantially in the form presented to this meeting, is hereby approved and the Treasurer is hereby authorized to execute and deliver the Bond Purchase Agreement, and the Authorized Officer of the District is hereby authorized and requested to acknowledge the execution of such Bond Purchase Agreement, but with such changes therein, deletions therefrom and modifications thereto as the Treasurer may approve, such approval to be conclusively evidenced by his execution and delivery thereof; provided, however, that the maximum true interest cost on the Bonds shall not exceed the maximum rate permitted by law and the underwriter's discount, excluding original issue discount and expenses and costs of issuance paid by the Underwriter, shall not exceed 0.50% of the aggregate principal amount of Bonds issued. The Treasurer is further authorized to determine the principal amount of the Bonds to be specified in the Bond Purchase Agreement for sale by the County Board up to \$3,000,000 and to enter into and execute the Bond Purchase Agreement with the Underwriter and the District, if the conditions set forth in this Resolution are satisfied.

**Section 5. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Bond Purchase Agreement):

*"Accreted Interest"* means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof as of the date of calculation minus the Principal Amount thereof.

*"Accreted Value"* means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Principal Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1, commencing on February 1, 2011 (unless otherwise provided in the Bond Purchase Agreement), at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

*"Accretion Rate"* means, unless otherwise provided by the Bond Purchase Agreement, that rate which, when applied to the Principal Amount of any Capital Appreciation Bond and compounded semiannually on each February 1 and August 1 (commencing February 1, 2011), produces the Maturity Value on the maturity date.

*“Bond Insurer”* means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal and Maturity Value of and interest on the Bonds.

*“Bond Payment Date”* means (unless otherwise provided by the Bond Purchase Agreement) February 1 and August 1 of each year, commencing February 1, 2011, with respect to the interest on the Current Interest Bonds; with respect to the principal payments on the Current Interest Bonds, the stated maturity dates thereof, as applicable; and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

*“Capital Appreciation Bonds”* means the Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Bonds in the Official Statement.

*“Chair of the Board of Supervisors”* means the Chair, Chairman, or Mayor of the Board of Supervisors of the County of Los Angeles.

*“Continuing Disclosure Certificate”* means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

*“Current Interest Bonds”* means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Bond Purchase Agreement.

*“Depository”* means the securities depository acting as Depository pursuant to Section 6(c) hereof.

*“DTC”* means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

*“Maturity Value”* means the Accreted Value of any Capital Appreciation Bond on its maturity date.

*“Owner”* means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 8 hereof.

*“Paying Agent”* means the Treasurer and Tax Collector.

*“Principal”* or *“Principal Amount”* means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond, the initial principal amount thereof.

*“Record Date”* means, with respect to the Current Interest Bonds, the close of business on the fifteenth day of the month preceding each Bond Payment Date.

“*Securities Depository*” means The Depository Trust Company, 55 Water Street, 22nd Floor, New York, New York 10041-0099, Telephone: (212) 855-1000, Facsimile: (212) 855-8440.

“*Term Bonds*” means those Bonds for which mandatory redemption dates have been established in the Bond Purchase Agreement.

“*Transfer Amount*” means, with respect to any Outstanding Current Interest Bond, the Principal Amount and, with respect to any Capital Appreciation Bond, the Maturity Value.

“*Treasurer*” means the Treasurer and Tax Collector of the County of Los Angeles or any authorized deputy thereof.

## **Section 6. Terms of the Bonds.**

(a) ***Denomination, Interest, Date of Delivery.*** The Bonds shall be issued as bonds registered as to both Principal and interest, in the denominations of, with respect to the Current Interest Bonds, \$5,000 denominational amount or any integral multiple thereof (except for one odd denomination, if necessary), and with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination, if necessary). The Bonds will be initially registered to “Cede & Co.,” the nominee of the Depository Trust Company, New York, New York.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial issuance unless otherwise set forth in the Bond Purchase Agreement. Capital Appreciation Bonds will not bear interest on a current basis.

Each Current Interest Bond shall be dated the date of delivery or such date as shall appear in the Bond Purchase Agreement and the Official Statement (the “Date of Delivery”), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the fifteenth day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2011, in which event it shall bear interest from the Date of Delivery. Interest on the Current Interest Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds shall bear or accrete interest at a rate or rates such that the interest rates or true interest cost shall not exceed the maximum limit permitted by law. Interest shall be payable on the respective Bond Payment Dates.

The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Principal Amount set forth in the Bond Purchase Agreement and shall have an Accretion Rate and shall have denominational amounts per each \$5,000 in Maturity Value as shown in the Accreted Value Table attached to the Bond Purchase Agreement; provided that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer, if any, by

application of the definition of Accreted Value set forth in Section 5 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

With respect to the Bonds issued as “Build America Bonds” for purposes of the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) signed into law on February 17, 2009, the District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Bonds on or about each Bond Payment Date. The District directs the Paying Agent, prior to each Bond Payment Date, to submit to the United States Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the Debt Service Fund.

(b) *Redemption.*

(i) *Optional Redemption.* The Bonds shall be subject to optional redemption prior to maturity as provided in the Bond Purchase Agreement and the Official Statement.

(ii) *Mandatory Redemption.* The Bonds shall be subject to mandatory redemption prior to maturity as provided in the Bond Purchase Agreement and the Official Statement.

(iii) *Selection of Bonds for Redemption.* Whenever provision is made in this Resolution for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

(iv) *Notice of Redemption.* When redemption is authorized or required pursuant to Section 6(b)(i) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: (A) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed; (B) the date of redemption; (C) the place or places where the redemption will be made, including the name and address of the Paying Agent; (D) the redemption price; (E) the CUSIP numbers, if any, assigned to the Bonds to be redeemed; (F) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed; and (G) the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be



redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(A) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond registration books.

(B) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (1) registered or certified mail, postage prepaid; (2) telephonically confirmed facsimile transmission; or (3) overnight delivery service, to the Securities Depository and the Municipal Securities Rulemaking Board.

Neither failure to receive or failure to publish any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(v) *Partial Redemption of Bonds.* Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) *Effect of Notice of Redemption.* Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 6(b)(i) and (ii) hereof together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date,

interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District and the County. All or any portion of a Bond purchased by the District or the County shall be cancelled by the Paying Agent.

(vii) *Bonds No Longer Outstanding.* When any Bonds, or portions thereof, which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) ***Book-Entry System.***

(i) *Definitions.* As used in this Section, the terms set forth below shall have the meanings ascribed to them:

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(ii) *Election of Book-Entry System.* The Bonds shall initially be delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Bond shall be registered in the bond register, as defined below, in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(ii)(D).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the

records of the Depository, the Nominee or any Participant with respect to any ownership interest in book-entry Bonds; (B) the delivery to any Participant or any other person, other than an owner as shown in the bond register, of any notice with respect to book-entry Bonds, including any notice of redemption; (C) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part; or (D) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the bond register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value or Principal of, and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the bond register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the bond register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

(A) *Delivery of Letter of Representations.* In order to qualify the book-entry Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the owners, as shown on the bond register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

(B) *Selection of Depository.* In the event (1) the Depository determines not to continue to act as securities depository for book-entry Bonds; or (2) the District determines that continuation of the book-entry

system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in clause D below. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 6(c).

(C) *Payments to Depository.* Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Bonds are held in book-entry and registered in the name of the Nominee, all payments by the District or the bond register with respect to Accreted Value or Principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

(D) *Transfer of Bonds to Substitute Depository.*

(1) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof; may not thereafter be transferred except:

(aa) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 6(c)(ii)(D)(1)(bb) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(bb) to any Substitute Depository designated by the District, upon (x) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (y) a determination by the District that DTC, or its successor, is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(cc) to any person as provided below, upon (x) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (y) a determination by the District that DTC, or its successor, is no longer able to carry out its functions as depository.

(2) In the case of any transfer pursuant to Section 6(c)(ii)(D)(1)(aa) or (bb), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(ii)(D)(1)(cc), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District; provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written request from the District.

(3) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Maturity Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Maturity Value or Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(4) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party,

including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Bonds.

**Section 7. Execution of Bonds.** The Bonds shall be signed by the Chair of the County Board and the Treasurer by their manual or facsimile signatures and countersigned by the manual or facsimile signature of and the seal of the County affixed thereto by the Executive Officer-Clerk of the County Board, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**Section 8. Paying Agent; Transfer and Exchange.** So long as any of the Bonds remains outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Bond is registered on the bond register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the bond register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If any Bond shall become mutilated, the County, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent, the County (including the County Board, and its officials, officers, agents and employees) and the District satisfactory to the Paying Agent shall be given

by the owner, the County, at the expense of the Bond owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Bond tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the County). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the County and the Paying Agent.

If manual signatures on behalf of the County are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Bonds, the County shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District and the County may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District and the County may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. As requested by the District or the County, written reports of the surrender and cancellation of Bonds shall be made to the District and the County by the Paying Agent. The cancelled Bonds shall be retained for two years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the fifteenth day of the month next preceding any Bond Payment Date or the fifteenth day preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given; or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

**Section 9. Payment.** Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Maturity Value of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Principal, and redemption premium, if any, payable on the Current Interest Bonds and the Accreted Value and redemption premium, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, Accreted

Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute an obligation of the County except as provided in this County Resolution. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

**Section 10. Form of Bonds.** The Bonds shall be in substantially the following forms, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Bond Purchase Agreement.



[FORM OF CURRENT INTEREST BOND]

LAWNDALE ELEMENTARY SCHOOL DISTRICT  
(COUNTY OF LOS ANGELES, CALIFORNIA)

GENERAL OBLIGATION BONDS

1998 ELECTION, SERIES C/D

[(FEDERALLY TAXABLE—BUILD AMERICA BONDS—DIRECT PAYMENT TO  
ISSUER)]

No. R-\_\_\_\_\_ \$\_\_\_\_\_

Interest Rate

Maturity Date

Original Issue Date

CUSIP

\_\_\_\_\_ % per annum

August 1, 20\_\_

Date of Delivery

\_\_\_\_\_

REGISTERED OWNER: \*\*CEDE & CO.\*\*

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The Lawndale Elementary School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2011. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the fifteenth day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2011, in which event it shall bear interest from the Date of Delivery. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer and Tax Collector of the County of Los Angeles, California. Principal is payable upon presentation and surrender of this Bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this Bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the fifteenth day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of \$3,000,000 of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the electors of the District cast at a special election held on November 3, 1998,

upon the question of issuing bonds in the amount of \$26,000,000 and the resolution of the Board of Trustees of the District adopted on July 27, 2010 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on August \_\_, 2010 (the "County Resolution"). This bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as provided in the County Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue are comprised of \$\_\_\_\_\_ principal amount of Current Interest Bonds, of which this Bond is a part (a "Current Interest Bond"), and Capital Appreciation Bonds of which \$\_\_\_\_\_ represents the Principal Amount and \$\_\_\_\_\_ represents the Maturity Value.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount, as defined in the County Resolution, and in authorized denominations at the principal office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the fifteenth day of the month next preceding any Bond Payment Date or the fifteenth day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given; or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20\_\_ are subject to redemption on or after August 1, 20\_\_ at the option of the District as a whole or in part on any date at a redemption price equal to 100% of the Principal Amount of the Current Interest Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20\_\_ are subject to mandatory redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the Principal Amount thereof, together with accrued interest to the date fixed for redemption, without premium, as set forth in the following table:

**Redemption Dates  
(August 1)**

**Principal Amounts**

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the County of Los Angeles, California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chair of the County Board and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the County Board, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

COUNTY OF LOS ANGELES, CALIFORNIA

By \_\_\_\_\_  
Chair of the Board of Supervisors

By \_\_\_\_\_  
Treasurer and Tax Collector

ATTEST:

By \_\_\_\_\_  
Executive Officer-Clerk of  
the Board of Supervisors

#### **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the bonds described in the County Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2010.

By [form of bond only: do not sign]  
\_\_\_\_\_, Paying Agent

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this Bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of the Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**[FORM OF CAPITAL APPRECIATION BOND]**  
**LAWNDALE ELEMENTARY SCHOOL DISTRICT**  
**(COUNTY OF LOS ANGELES, CALIFORNIA)**  
**GENERAL OBLIGATION BONDS**  
**1998 ELECTION, SERIES C**

No. R-\_\_\_\_\_ \$ \_\_\_\_\_

<b>Accretion Rate</b>	<b>Maturity Date</b>	<b>Original Issue Date</b>	<b>CUSIP</b>
_____ % per annum	August 1, 20__	Date of Delivery	_____

REGISTERED OWNER: \*\*CEDE & CO.\*\*

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

ACCREDITED VALUE AT MATURITY: \_\_\_\_\_ DOLLARS

The Lawndale Elementary School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Accreted Value at Maturity, each as stated above, such Accreted Value at Maturity being comprised of the Principal Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing February 1, 2011, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Principal Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30 day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer and Tax Collector of the County of Los Angeles, California. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this Bond at the principal office of the Paying Agent.

This bond is one of an authorization of \$3,000,000 of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the electors of the District cast at a special election held on November 3, 1998, upon the question of issuing bonds in the amount of \$26,000,000 and the resolution of the Board of Trustees of the District adopted on July 27, 2010 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on August \_\_, 2010 (the "County Resolution"). This bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general

obligations of the District and do not constitute an obligation of the County except as provided in the County Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue are comprised of \$ \_\_\_\_\_ principal amount of Current Interest Bonds (each a "Current Interest Bond"), and Capital Appreciation Bonds, of which this Bond is a part, in the Principal Amount of \$ \_\_\_\_\_ and the Accreted Value at maturity of \$ \_\_\_\_\_. This Bond is not subject to optional redemption prior to maturity.

This Bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount, as defined in the County Resolution, and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the fifteenth day of the month next preceding any Bond Payment Date or the fifteenth day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given; or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds are not subject to optional redemption prior to their stated maturity dates.

The Capital Appreciation Bonds maturing on August 1, 20\_\_ are subject to mandatory redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the Accreted Value thereof, as of the date fixed for redemption, without premium, as set forth in the following table:

**Redemption Dates  
(August 1)**

**Principal Amounts**

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

[Remainder of page intentionally left blank]



IN WITNESS WHEREOF, the County of Los Angeles, California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chair of the County Board and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the County Board, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

COUNTY OF LOS ANGELES, CALIFORNIA

By \_\_\_\_\_  
Chair of the Board of Supervisors

By \_\_\_\_\_  
Treasurer and Tax Collector

ATTEST:

By \_\_\_\_\_  
Executive Officer-Clerk of  
the Board of Supervisors

#### **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the bonds described in the County Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2010.

By [form of bond only: do not sign]  
\_\_\_\_\_, Paying Agent

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this Bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of the Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**Section 11. Delivery of Bonds.** The proper officials of the County shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriter upon payment of the purchase price therefor.

**Section 12. Deposit of Proceeds of Bonds.** The County hereby establishes the "Lawndale Elementary School District, General Obligation Bonds, 1998 Election, Building Fund" (the "Building Fund"), which shall be kept separate and distinct from all other District and County funds, and the "Series C Building Account" (the "Series C Building Account") and, if Series D Bonds are issued, the "Series D Building Account" (the "Series D Building Account") therein, into which the Treasurer is requested to deposit the proceeds from the sale of the respective series of Bonds, to the extent of the Principal Amount thereof. Such proceeds shall be used solely for the purpose for which the Bonds are being issued; and provided further that such proceeds shall be applied solely to authorized purposes of the Election. The accrued interest and any premium received by the County from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Lawndale Elementary School District, General Obligation Bonds, 1998 Election, Debt Service Fund" (the "Debt Service Fund") and the "Series C Debt Service Account" (the "Series C Debt Service Account") and, if Series D Bonds are issued, the "Series D Debt Service Account" (the "Series D Debt Service Account") therein, for the Bonds and used only for payment of Accreted Value or Principal of and interest on the respective series of Bonds. Interest earnings on moneys held in the Series C Building Account and the Series D Building Account shall be retained in the Series C Building Account and the Series D Building Account, respectively. Interest earnings on moneys held in the Series C Debt Service Account and the Series D Debt Service Account shall be retained in the Series C Debt Service Account and the Series D Debt Service Account, respectively. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District. Costs associated with the issuance of the Bonds shall be paid by the District from moneys deposited in the Building Fund or by the Underwriter, on behalf of the District, from premium paid on the Bonds and not received by the County.

Subject to federal tax restrictions, moneys in the funds created hereunder shall be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, in LAIF, in the County Investment Pool or in a guaranteed investment contract with a financial institution or insurance company which has at the date of execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not lower than the second highest rating category (without regard to subcategories) by Standard & Poor's and Moody's Investors Service.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of moneys held in each of the accounts of the Debt Service Fund shall be retained in such accounts of the

Debt Service Fund and used by the County to pay the Accreted Value or Principal of and interest on the Bonds when due.

**Section 13. Rebate Fund.** In accordance with the terms of the Tax Certificate to be executed by the District prior to the issuance of the Bonds, the District shall create and establish a special fund designated the "Lawndale Elementary School District General Obligation Bonds, 1998 Election, Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

**Section 14. Security for the Bonds.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Bonds are outstanding in an amount sufficient to pay the Principal and Accreted Value of and interest on the Bonds when due, which moneys when collected will be placed in the appropriate accounts of the Debt Service Fund held by the Treasurer, which fund is irrevocably pledged for the payment of the Principal and Accreted Value of and interest on the Bonds when and as the same fall due.

To the extent necessary to pay the Principal and Accreted Value of and interest on the Bonds as the same become due and payable, the Treasurer shall pay moneys in the Debt Service Fund to the Paying Agent no later than the business day immediately preceding each Bond Payment Date, and the Paying Agent shall pay such moneys to DTC to pay the Principal and Accreted Value of and interest on the Bonds when due. DTC will thereupon make payments of Principal and Accreted Value and interest on the Bonds to the DTC Participants who will thereupon make payments of Principal and Accreted Value and interest to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to the Education Code Section 15234.

**Section 15. Arbitrate Covenant.** The County acknowledges that the District has covenanted that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

**Section 16. Conditions Precedent.** Based in part on representations of the District, this Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the Principal of and interest on the Bonds; and that no statutory or

constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**Section 17. Official Statement.** The District shall, with the assistance of the Underwriter, prepare a Preliminary Official Statement and an Official Statement relating to the Bonds to be used in connection with the offering and sale of the Bonds. The District and the Underwriter are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Bonds and are directed to deliver copies of any final Official Statement to the purchaser of the Bonds, in such time and manner as to conform with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. Neither the County Board nor any officer of the County has prepared or reviewed the Official Statement of the District describing the Bonds, and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the Treasurer, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in a Preliminary Official Statement, and to certify in writing prior to or upon the issuance of the Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

**Section 18. Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal, interest or Accreted Interest on the Bonds, it shall become the owner of such Bonds with the right to payment of Principal, interest or Accreted Value on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (a) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds; and (b) in the case of subrogation as to claims for past due Principal or Accreted Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**Section 19. Defeasance.** All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) **Cash.** By irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund is sufficient to pay all Bonds outstanding and designated for defeasance, including all Principal and interest and premium, if any; or

(b) **United States Obligations.** By irrevocably depositing with an independent escrow agent selected by the District noncallable United States Obligations together with

cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all Principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraph (a) or (b) of this Section, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, United States Obligations shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

## **Section 20. Amendments.**

(a) The County may from time to time (which may be at the request of the District, made in writing), and at any time, without notice to or consent of any of the Owners, by action of the County Board, amend the provisions of this Resolution for any of the following reasons:

(i) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Bond owners;

(ii) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect; and

(iii) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Bond Owners.

In the event of any such amendment, the County shall promptly provide the District and the paying agent with copies of such amendment and the action of the County Board approving such amendment.

(b) Notwithstanding any other provision herein, the provisions of this Resolution as they relate to the terms of the Bonds may be amended by the Bond Purchase Agreement and the Official Statement.

**Section 21. Other Actions.** Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

**Section 22. Continuing Disclosure.** The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

**Section 23. Unclaimed Funds.** Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Bond Registrar in trust, for the payment of the principal of, redemption premium, if any, interest in Maturity Value on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the bonds, transferred to the general fund of the District to be applied in accordance with law; provided, however, that the Bond Registrar, before making such payment, shall cause notice to be mailed to the Owners of all Bonds that have not been paid, by first class mail at the addresses on the Bonds Register, postage prepaid, no less than 90 days prior to the date of such payment. Thereafter, the District shall have all responsibility and liability for the payment of such Bonds.

**Section 24. Effective Date.** This Resolution shall take effect immediately upon its passage.

[Remainder of page intentionally left blank]

The foregoing resolution was on the 17<sup>th</sup> day of August, 2010, adopted by the County Board and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI, Executive Officer Clerk of  
the Board of Supervisors of the County of Los  
Angeles

By Lachelle Smitherman  
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN  
COUNTY COUNSEL

By Cammy C. DePant  
Principal Deputy County Counsel



§ \_\_\_\_\_  
**LAWNDAL ELEMNTARY SCHOOL DISTRICT**  
**(COUNTY OF LOS ANGELES, CALIFORNIA)**  
**GENERAL OBLIGATION BONDS**  
**1998 ELECTION, SERIES C**

**AND**

§ \_\_\_\_\_  
**LAWNDAL ELEMNTARY SCHOOL DISTRICT**  
**(COUNTY OF LOS ANGELES, CALIFORNIA)**  
**GENERAL OBLIGATION BONDS**  
**1998 ELECTION, SERIES D**  
**(Federally Taxable – Build America Bonds –**  
**Direct Payment to Issuer)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2010

County of Los Angeles  
Treasurer and Tax Collector  
500 West Temple Street  
437 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Board of Education  
Lawndale Elementary School District  
4161 West 147<sup>th</sup> Street  
Lawndale, California 90260

Ladies and Gentlemen:

The undersigned (the “Underwriter”), offers to enter into this Bond Purchase Agreement (the “Purchase Contract”) with Los Angeles County, California (the “County”) and the Lawndale Elementary School District (the “District”), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the County Resolution (defined below).

Inasmuch as this purchase and sale represents a negotiated transaction, the County and the District understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the County or the District, but rather is acting solely in its capacity as Underwriter for its own account.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$\_\_\_\_\_ aggregate principal amount of the District's General Obligation Bonds, 1998 Election, Series C and \$\_\_\_\_\_ aggregate principal amount of the District's General Obligation Bonds, 1998 Election, Series D (collectively, the "Bonds"). The Bonds shall bear interest at the rates, shall mature in the years and shall be subject to redemption as shown on Appendix A hereto, which is incorporated herein by this reference. The Current Interest Bonds shall be dated the date of delivery thereof and shall be payable as to interest on each February 1 and August 1, commencing February 1, 2011. The Capital Appreciation Bonds shall accrete interest from the date of delivery thereof, compounded semiannually on February 1 and August 1, commencing on February 1, 2011, and shall be paid at maturity as shown on Appendix A hereto. The Underwriter shall purchase the Bonds at a price of \$\_\_\_\_\_ (consisting of the principal amount of the Bonds of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, less underwriter's discount of \$\_\_\_\_\_, and less \$\_\_\_\_\_ to be retained by the Underwriter to be used to pay costs of issuance in accordance with Section 13 hereof).

2. **The Bonds.** The Bonds shall otherwise be as described in the Official Statement (defined below), and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on July 27, 2010 (the "District Resolution"), and the Resolution of the Board of Supervisors of the County adopted on August \_\_, 2010 (the "County Resolution," and together with the District Resolution, the "Bond Resolutions"), and Section 15100 et seq. of the California Education Code (the "Act").

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Bond Resolutions. The Bonds shall bear CUSIP numbers; be in fully registered book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"); and be in authorized denominations of Five Thousand Dollars (\$5,000) principal amount or maturity value, or any integral multiple thereof.

3. **Use of Documents.** The District and the County hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Continuing Disclosure Certificate, an Official Statement (defined below), the Bond Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. **Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated August \_\_, 2010 (the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal

amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

The Underwriter agrees that prior to the time the final Official Statement (the "Official Statement") relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

6. **Closing.** At 8:00 A.M., California Time, on September \_\_, 2010, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the "Closing"), you will deliver to us, at the offices of DTC in New York, New York, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Kutak Rock LLP ("Bond Counsel"), in Los Angeles, California, the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price of the Bonds identified in Section 2 above in immediately available funds to the account of the County.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a school district duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract, and the Continuing Disclosure Certificate, to adopt the District Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Bond Resolution, the Continuing Disclosure Certificate and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Contract, the adoption of the District Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the

United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the Continuing Disclosure Certificate, the District Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, the collection of *ad valorem* property taxes contemplated by the Bond Resolutions and the application thereof to pay the principal or accreted value of and interest on the Bonds, or the pledge of the Debt Service Fund for the Bonds, or, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, or the Bond Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Bond Resolutions or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Contract, or the Bond Resolutions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District nor the County, nor any person on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Continuing Disclosure. At or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall comply with the provisions of Rule 15c2-12(b)(5) and be substantially in the form attached to the Official Statement in Appendix D.

(j) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the Final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(k) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the appropriate officials of the County of Los Angeles a copy of the Bond Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County of Los Angeles.

**8. Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Underwriter that:

(a) ***Due Organization.*** The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) ***Due Authorization.*** (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Contract, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract and the Bond Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the County Resolution and this Purchase Contract have been duly authorized; (iv) assuming due authorization, execution and delivery by the other parties hereto, this Purchase Contract constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all of its transactions contemplated by this Purchase Contract.

(c) **Consents.** No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) **No Conflicts.** To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Purchase Contract, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(e) **Litigation.** As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is (1) pending, in which service of process has been completed on the County, or, (2) to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, or the levy on any taxes contemplated by the Bond Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the Bond Resolutions or contesting the powers of the County or its authority with respect to the Bonds, the Bond Resolutions or this Purchase Contract; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Purchase Contract or the Bond Resolutions, or (B) declare this Purchase Contract to be invalid or unenforceable in whole or in material part.

(f) **No Other Debt.** Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(g) **Certificates.** Any certificates signed by any authorized officer of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter, but not by the person signing the same, as to the statements made therein.

(h) **Official Statement Accurate and Complete.** The section of the Preliminary Official Statement entitled "Los Angeles County Treasury Pool," at the date

thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the section of the final Official Statement entitled "Los Angeles County Treasury Pool" did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

9. **Covenants of the County and the District.** The County and the District respectively covenant and agree with the Underwriter that:

(a) Securities Laws. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the County and the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Bond Resolution;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered (and the County agreed to cooperate with the District in connection with such delivery) to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District, until the date which is ninety (90) days following the Closing;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior

written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the School District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

(1) For purposes of this Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (A) the date of Closing or (B) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing Date.

**10. Representations, Warranties and Agreements of the Underwriter.** The Underwriter represents to and agrees with the County and the District that, as of the date hereof and as of the Closing Date:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under this Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and is not prohibited thereby from acting as the underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

**11. Conditions to Closing.** The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the County and the District contained herein and the performance by the County and the District of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the



Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the County and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract and the Bond Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by us; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their respective obligations required under or specified in the Bond Resolutions, this Purchase Contract, or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, pending or threatened which has any of the effects described in Section 7(f) or 8(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices of the Bonds set forth in the Official Statement, shall not have been materially adversely affected in the judgment of the Underwriter (evidenced by a written notice to the County and the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds;  
or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) any outbreak or escalation or hostilities affecting the United States, the declaration by the United States of a national emergency or war, or engagement in major military hostilities by the United States or the occurrence of any other national

emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading by the New York Stock Exchange, any national securities exchange, or any governmental authority securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any credit rating of the District's outstanding indebtedness by a national rating agency;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(8) the suspension by the SEC of trading in the outstanding securities of the District or the County.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive copies of the following documents satisfactory in form and substance thereto:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District in substantially the form set forth in the Preliminary Official Statement as Appendix B;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the opinions described in (e)(1) above;

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel addressed to the District and the Underwriter, in form and substance acceptable to the Underwriter, dated as of the Closing Date, substantially to the following effect:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," "THE BONDS," "APPENDIX A – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS," and "TAX MATTERS," to the extent they purport to summarize certain provisions of the Bond Resolutions, and California law or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data, information concerning the DTC or its book-entry only system, or information contained in Appendix \_\_ thereto;

(ii) assuming due authorization, execution and delivery by all the parties thereto, this Purchase Contract has been duly authorized, executed and delivered by the District and constitutes a legal, valid and binding agreement of the District enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as such enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State of California; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Bond Resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended; and

(4) Additional Opinion. The opinion of Kutak Rock, LLP, in its role as Disclosure Counsel, dated the Closing Date and addressed to the District and the Underwriter, in form and substance acceptable to the Underwriter;

(5) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the County and the District herein are true and correct in all material respects as of the date of Closing, (iii) the County and the District have complied with all the terms of the Bond Resolutions and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement (excluding therefrom information regarding DTC and its book-entry only system) does not contain any untrue statement of a material fact required to be stated therein or omit to state a material fact

necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Bond Resolutions, and (vi) no event concerning the County or the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in light of the circumstances in which they were made not misleading; provided that the certificate provided by the County may exclude statements to the effect of (iii), (iv) and (v) above;

(6) Tax Compliance Certificate. A tax compliance certificate of the District in form satisfactory to Bond Counsel;

(7) Rating. Evidence satisfactory to the Underwriter that (i) the Bonds shall have been rated “\_\_\_” by Standard & Poor’s (“S&P”) and “\_\_\_” by Moody’s (or such other equivalent ratings as each such rating agency may give), and (ii) that any such rating has not been revoked or downgraded;

(8) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District’s Board of Education to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(9) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule;

(10) County Resolution. An original adopted County Resolution or a certificate, together with a fully executed copy of the County Resolution, of the Executive Officer-Clerk of the County Board of Supervisors to the effect that:

(i) such copies are true and correct copies of the County Resolution; and

(ii) that the County Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(11) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix D thereto

(12) County Counsel Opinion. An opinion of Counsel to the County in substantially the form attached hereto as Appendix B; and

(13) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County and the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 herein, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 13 hereof.

If the County and/or the District is unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

**12. Conditions to Obligations of the County and the District.** The performance by the County and the District of their respective obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

**13. Expenses.** (a) To the extent that the transactions contemplated by this Purchase Contract are consummated, the Underwriter shall pay or cause to be paid costs of issuance of the Bonds in an amount not to exceed \$\_\_\_\_\_ including, without limitation: (i) the cost of the preparation and reproduction of the Bond Resolution; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for bond ratings; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees, if any, of the Paying Agent; (vii) the initial fees of the Fiscal Agent; (viii) the fees of the Financial Advisor; (ix) expenses for travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds; and (x) all other fees and expenses incident to the issuance and sale of the Bonds. All costs of issuance of the Bonds in excess of \$\_\_\_\_\_ shall be paid by the District.

(b) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory

Commission fee and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond ratings, if any.

14. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector, County of Los Angeles, 500 West Temple Street, 437 Kenneth Hahn Hall Administration, Los Angeles, California 90012; if to District, to Lawndale Elementary School District, 4161 West 147<sup>th</sup> Street, Lawndale, California 90260, Attention: Associate Superintendent-Business; or if to the Underwriter, to Stone & Youngberg LLC, 515 South Figueroa Street, Suite 1800, Los Angeles, California 90071, Attention: Dawn Vincent.

15. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Contract when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This Purchase Contract is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All your representations, warranties and agreements of the County and the District in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

16. **Execution in Counterparts.** This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

[REMAINDER OF PAGE LEFT BLANK]

17. **Applicable Law.** This Purchase Contract shall be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts made and performed in such State.

Very truly yours,

**STONE & YOUNGBERG LLC**

By: \_\_\_\_\_  
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

**LOS ANGELES COUNTY**

Accepted:

By: \_\_\_\_\_  
Mark J. Saladino  
Treasurer and Tax Collector

**Approved as to Form:**  
**ANDREA SHERIDAN ORDIN**  
COUNTY COUNSEL

By: \_\_\_\_\_  
Principal Deputy County Counsel

**LAWNDALE ELEMENTARY SCHOOL  
DISTRICT**

By: \_\_\_\_\_  
Associate Superintendent-Business

APPENDIX A

\$ \_\_\_\_\_  
**LAWNDAL ELEMNTARY SCHOOL DISTRICT**  
**(COUNTY OF LOS ANGELES, CALIFORNIA)**  
**General Obligation Bonds, 1998 Election, Series C**

\$ _____ Serial Bonds			
Maturity (August 1)	Principal Amount	Interest Rate	Yield

\$ \_\_\_\_\_ - \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ ; Yield: \_\_\_\_\_

\$ \_\_\_\_\_  
**LAWNDAL ELEMNTARY SCHOOL DISTRICT**  
**(COUNTY OF LOS ANGELES, CALIFORNIA)**  
**General Obligation Bonds, 1998 Election, Series D**

\$ \_\_\_\_\_ - \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ ; Yield: \_\_\_\_\_  
\$ \_\_\_\_\_ - \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ ; Yield: \_\_\_\_\_

**Redemption Provisions**

**Optional Redemption.** The Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on or after August 1, 20\_\_ are subject to redemption on any date on or after August 1, 20\_\_, at the option of the District, as a whole or in part, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.



***Mandatory Redemption.*** The Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Redemption Date  
(August 1)

Principal Amount

---

<sup>(1)</sup> Final Maturity.

**APPENDIX B**

**OPINION OF COUNTY COUNSEL**

**§ \_\_\_\_\_  
Lawndale Elementary School District  
(County of Los Angeles, California)  
General Obligation Bonds, 1998 Election, Series C**

**§ \_\_\_\_\_  
LAWNDALE ELEMENTARY SCHOOL DISTRICT  
(COUNTY OF LOS ANGELES, CALIFORNIA)  
General Obligation Bonds, 1998 Election, Series D**

Ladies and Gentlemen

This opinion is rendered as counsel to the County of Los Angeles (the "County") in connection with the issuance by the Lawndale Elementary School District (the "District") of its General Obligation Bonds, 1998 Election, Series C in the aggregate principal amount of \$ \_\_\_\_\_ and its General Obligation Bonds, 1998 Election, Series D in the aggregate principal amount of \$ \_\_\_\_\_ (collectively, "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County adopted on August \_\_, 2010 (the "County Resolution"), at the request of the District made pursuant to a resolution of the District on July 27, 2010 (the "District Resolution").

In rendering this opinion, we have examined the County Resolution and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and existing pursuant to the Constitution and the laws of the State of California.
2. The County Resolution approving and authorizing the execution and delivery of the Purchase Contract and the issuance of the Bonds was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.
3. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending, in which service of process has been completed on the County, or, to the best knowledge of the County, threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Contract or the issuance of the Bonds or in any way contesting or affecting the

validity or enforceability of the Bonds, the Purchase Contract, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Contract; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

4. The Purchase Contract has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Contract will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms.

With respect to the opinions we have expressed, enforcement of the rights and obligations under the County Resolution, the Purchase Contract and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Contract or the Bonds.

Very truly yours,

ANDREA SHERIDAN ORDIN  
COUNTY COUNSEL

By: \_\_\_\_\_  
Principal Deputy County Counsel

**LAWNDALE ELEMENTARY SCHOOL DISTRICT  
RESOLUTION NO. 6, 2010-2011**

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE  
LAWNDALE ELEMENTARY SCHOOL DISTRICT AUTHORIZING  
THE ISSUANCE AND SALE OF LAWNDALE ELEMENTARY  
SCHOOL DISTRICT (COUNTY OF LOS ANGELES, CALIFORNIA)  
GENERAL OBLIGATION BONDS, 1998 ELECTION, IN ONE OR  
TWO SERIES, AND RELATED ACTIONS**

WHEREAS, a duly called special bond election was held in the Lawndale Elementary School District, County of Los Angeles, State of California (hereinafter referred to as the "District"), on November 3, 1998 and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two thirds vote of the qualified electors of the District a measure as to the issuance and sale of general obligation bonds of the District for various purposes as set forth in the ballot submitted to the voters, in the maximum principal amount of \$26,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, the District has previously issued an aggregate principal amount of \$10,000,000 of Lawndale Elementary School District (County of Los Angeles, California) General Obligations Bonds, 1998 Election, Series A (the "Series A Bonds");

WHEREAS, the District has previously issued an aggregate principal amount of \$13,000,000 of Lawndale Elementary School District (County of Los Angeles, California) General Obligations Bonds, 1998 Election, Series B (the "Series B Bonds" and together with the Series A Bonds, the "Prior Bonds");

WHEREAS, at this time, this Board of Education of the Lawndale Elementary School District (the "Board") has determined that it is necessary and desirable to authorize the issuance and sale of one or more series of the general obligation bonds authorized by the electors (the "Bonds"), such series of bonds to be designated "Lawndale Elementary School District (Los Angeles County, California) General Obligation Bonds, 1998 Election, Series C," and, if more than one series is issued, an additional series of bonds to be designated "Lawndale Elementary School District (Los Angeles County, California) General Obligation Bonds, 1998 Election, Series D," with an appropriate designation to indicate, if applicable, that such series is being issued as "Build America Bonds" as described below, all in an aggregate principal amount not to exceed \$3,000,000 (the "Bonds") according to the terms and in the manner hereinafter set forth;

WHEREAS, pursuant to the American Reinvestment and Recovery Act of 2009, as amended ("ARRA"), the Board authorizes the issuance of all or a portion of the Bonds as taxable "Build America Bonds;"

WHEREAS, Section 15140 of the California Education Code requires that general obligation bonds of a school district shall be offered for sale by the board of supervisors of the

county, the county superintendent of which has jurisdiction over such district, as soon as possible following receipt of a resolution adopted by the governing board of such district;

WHEREAS, by this Resolution the Board will petition the Los Angeles County Board of Supervisors (the "County Board") to issue the Bonds;

WHEREAS, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Lawndale Elementary School District, as follows:

**Section 1. Recitals.** The Board hereby finds and determines that the foregoing recitals are true and correct.

**Section 2. Purpose.** To raise money for the purposes authorized by voters of the District at the Election and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby petitions the Board of Supervisors of the County of Los Angeles (the "County") to authorize the issuance of the Bonds and to order such Bonds sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by said County Board, shall bear interest at a rate not to exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not to exceed Three Million Dollars (\$3,000,000).

**Section 3. Valid Obligations.** The Board hereby determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid, and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**Section 4. Appointment of Paying Agent.** The Board hereby appoints the Treasurer and Tax Collector of the County to act as the paying agent, registrar and transfer agent (collectively, the "Paying Agent") for the Bonds. The District acknowledges that ongoing expenses and fees of the Paying Agent and all other fees and costs incurred in connection with the Bonds will be paid by the District.

**Section 5. Approval of Bond Purchase Agreement.** The Board hereby approves the form of Bond Purchase Agreement relating to the sale of the Bonds (the "Bond Purchase Agreement"), by and among the District, the County and Stone & Youngberg LLC (the "Underwriter"), as presented to this meeting and on file with the Clerk of the Board. The Superintendent of the District, Associate Superintendent-Business of the District, or a designated

deputy of either thereof (each an “Authorized District Representative”) is each, individually, hereby authorized, for and on behalf of the District, to execute and deliver to the Underwriter the Bond Purchase Agreement in substantially said form, with such changes therein as such officer, with the advice of the District’s bond counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that no Bonds shall bear interest at more than the legal limit per annum, that the true interest cost of the Bonds (net of the federal subsidy payment expected for any Bonds issued as Build America Bonds) not exceed 7.00%, and that the Underwriter’s compensation shall not exceed 0.50% of the aggregate principal amount of the Bonds. True interest cost for this purpose means that nominal interest rate that, when compounded semiannually and used to discount the debt service payments on the Bonds to the dated date of the Bonds, results in an amount equal to the purchase price of the Bonds, excluding interest accrued to the date of delivery. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, terms of redemption, and other terms of the Bonds shall be as provided in the Bond Purchase Agreement, as finally executed. Each Authorized District Representative, each acting alone, is further authorized to determine the principal amount of the Bonds to be specified in the Bond Purchase Agreement for sale by the District up to \$3,000,000. The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter period of time, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District’s goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any costs which the Underwriter agrees to pay pursuant to the Bond Purchase Agreement, but excluding the premium of any bond insurance policy described in Section 11 hereof, will equal approximately 4.00% of the principal amount of the Bonds.

**Section 6. Preliminary Official Statement.** The Board hereby approves and deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Bonds in the form on file with the Clerk of the Board. Each Authorized District Representative is hereby individually authorized, at the request of the Underwriter of the Bonds, to execute an appropriate certificate affirming the Board’s determination that the Preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the Preliminary Official Statement is hereby approved. Each Authorized District Representative is hereby individually authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized District Representative shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the final Official Statement by the Underwriter.

**Section 7. Engagement of Professional Services.** Keygent LLC is hereby retained as Financial Advisor to the District, and the law firm of Kutak Rock LLP is hereby retained as bond counsel and disclosure counsel to the District. Each of the Authorized District Representatives is hereby authorized and directed on behalf of the District to execute an agreement with each of such firms. The District hereby appoints Stone & Youngberg LLC as the Underwriter in connection with the issuance of the Bonds.

**Section 8. Authorization of Officers to Execute Documents.** The Board hereby authorizes and directs its officers and the officials and staff of the District, and each of them individually, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the issuance of the Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers, officials and staff that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

**Section 9. Build America Bonds.** With respect to Bonds, if any, issued as Build America Bonds, the District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to a portion of the interest payable on the Bonds on or about each interest payment date. The District shall, prior to each interest payment date, submit or cause to be submitted to the United States Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the Debt Service Fund to be established for the Build America Bonds. To the extent that all or any portion of the Bonds are issued as Build America Bonds, such Bonds shall have, in addition to any applicable terms and provisions herein, such additional terms and provisions as may be set forth in the Bond Purchase Agreement.

**Section 10. Tax Covenants.** The District will, notwithstanding any other provisions of this Resolution, (1) comply with all of the provisions of the resolution of the County Board of the authorizing the issuance of the Bonds relating to the Rebate Fund (as defined therein) and perform all acts necessary to be performed by the District in connection therewith, and (2) make no use of the proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

The District will not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code. To that end, so long as any Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Code, to the extent such requirements are, at the time, applicable and in effect.

The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the Bonds. In furtherance of the foregoing tax covenants of this Section 10, the District covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered by the District on the date of issuance of the Bonds, which is incorporated herein as if fully set forth herein.

For the purposes of qualifying the Bonds (excluding any Build America Bonds) for treatment under Section 265(b)(3) of the Code describing an exception for certain obligations from the disallowance, in the case of certain financial institutions, of a deduction for interest expense which is otherwise allocable to such obligations, in order that interest expense allocable to such Bonds not be disallowed as a deduction by such financial institutions under Section 265(b)(1) of the Code, the District designates the Bonds (excluding any Build America Bonds) for purposes of such Section 265(b)(3) of the Code and represents (i) that such Bonds are not "private activity bonds" (within the meaning of Section 141 of the Code); (ii) that the interest on such Bonds is wholly excludable from gross income for federal income tax purposes; and (iii) that the aggregate principal amount of obligations, including such Bonds, the interest on which is wholly excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes, excluding, however, "private activity bonds" (as above defined), other than "qualified 501(c) bonds" (within the meaning of Section 145 of the Code), which the District reasonably anticipates will be issued by the District and all subordinate entities during calendar year 2010 does not exceed \$30,000,000; and further covenants that not more than \$30,000,000 in aggregate principal amount of obligations the interest of which is wholly excludable (under Section 103(a) of the Code) from gross income for federal tax purposes, excluding, however, "private activity bonds" (as above defined), other than "qualified 501(c)(3) bonds" (within the meaning of Section 145 of the Code), including such Bonds, will be issued by the District and all subordinate entities during calendar year 2010. The District hereby designates the Bonds (excluding any Build America Bonds) a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

The District will covenant with the holder of the Bonds that the foregoing tax-related restrictions shall survive the payment in full or defeasance of the Bonds.

**Section 11. Bond Insurance.** Each Authorized District Representative is hereby authorized and directed to take such other actions as may be necessary to sell all or a portion of the Bonds with bond insurance, if such Authorized District Representative, in consultation with the Financial Advisor, the Underwriter and the County, determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

**Section 12. Other Actions, Determinations and Approvals.** Officers of the Board and District officials and personnel are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution, including the preparation of other bond financing related documents as may be necessary or desirable. All such actions heretofore taken by such officers, officials and personnel are hereby ratified, confirmed and approved.

**Section 13. Continuing Disclosure.** The Board does hereby covenant and agree, for the benefit of the holders and Beneficial Owners of the Bonds, that the District will comply with the provisions of the Rule relating to secondary market and continuing disclosure. Failure of the District to comply with such provisions shall not be considered an event of default with respect to the Bonds; however, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court



order, to cause the District to comply with its obligations under this provision. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

The Board does hereby authorize each Authorized District Representative to individually execute and deliver by and on behalf of the District, for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the underwriters for the Bonds to comply with paragraph (b)(5) of the Rule, a Continuing Disclosure Certificate or Undertaking for the Bonds (as it may be amended from time to time in accordance with the terms thereof, the "Continuing Disclosure Certificate") in form and substance substantially similar to that contained as an appendix to the Preliminary Official Statement, with such changes as the Authorized District Representative executing it shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

The Board shall at all times do and perform all other acts and things necessary or desirable and within its power to assure compliance with the above-referenced provisions of the Rule.

**Section 14. Repealor.** All resolutions, or parts thereof, in conflict with this Resolution, are hereby repealed. After the Bonds have been issued, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall be fully paid, satisfied and discharged in the manner herein provided, or sufficient provision shall have been made for such payment, satisfaction and discharge.

**Section 15. Recitals.** All recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

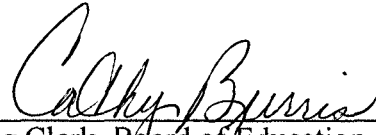
**Section 16. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 27<sup>th</sup> day of July, 2010, by the Board of Education of the Lawndale Elementary School District by the following vote:

AYES: 4

NOES: 0

ABSENT/ABSTAIN: 1



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Acting Clerk, Board of Education, Lawndale  
Elementary School District

**[FORM OF CLERK'S CERTIFICATE]**

I, Cathy Burris, acting Clerk of the Board of Education of the Lawndale Elementary School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on July 27, 2010, and entered in the minutes thereof, of which meeting all of the members of said Board had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES: 4

NOES: 0

ABSTAIN: 0

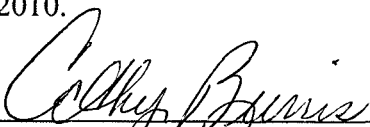
ABSENT: 1

An agenda of said meeting was posted at least 72 hours before said meeting at 4161 West 147<sup>th</sup> Street, Lawndale, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

I have caused a certified copy thereof to be filed with the Treasurer and Tax Collector of the County.

WITNESS my hand this 2<sup>nd</sup> day of August, 2010.

  
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Acting Clerk of the Board of Education,  
Lawndale Elementary School District